

LOUISIANA SHRIMP TASK FORCE

MINUTES

May 10, 2011

CAPITAL PARK WELCOME CENTER
702 N RIVER ROAD
BATON ROUGE, LOUISIANA

AGENDA

- I. Call to Order
- II. Roll Call
- III. Selection of the Vice-Chairman
- IV. Approval of Minutes from 4.21.11
- V. Review and Adoption of Amended Bylaws
- VI. Discussion of Requesting Exemption of 99 mile travel limit
- VII. Discussion of Shrimp Excise Tax
- VIII. Shrimp Management Opportunities
- IX. Update from Louisiana Seafood Promotion and Marketing Board
- X. Subcommittee Membership Discussion
 1. Seafood Promotion and Marketing Subcommittee
 2. Louisiana Certified Seafood Program Subcommittee
- XI. Public Comment
- XII. Other Business
- XIII. Next Meeting/Agenda
- XIV. Adjournment

MINUTES OF THE MEETING

OF

THE LOUISIANA SHRIMP TASK FORCE

Tuesday, May 10, 2011, 9:30 AM

Mark Abraham called the meeting to order.

In Attendance:

Dean Blanchard/Louisiana Dock Owner
Alan Gibson/Louisiana Shrimp Processor
Andrew Blanchard/Louisiana Shrimp Processor
Harry Cheramie/Louisiana Shrimp Harvester
Bryon Despaux/Louisiana Shrimp Harvester
Acy Cooper/Louisiana Shrimp Harvester
Glenn T. Cambre/Public Health Executive Director
David Lavergne/ Louisiana Department of Wildlife and Fisheries Economist
Lance Nacio/Louisiana Shrimp Harvester
Clint Guidry/Louisiana Shrimp Harvester
Carrie Castille/Deputy Assistant Commissioner
Mark Schexnayder/ Louisiana Department of Wildlife and Fisheries/Office of Fisheries
Mark Abraham/Chairman and Louisiana Shrimp Processor

Absences:

Danny Babin/Representative of Shrimp Processor Advisory Panel
Kristen Michael Baumer/Louisiana Shrimp Processor
Cloyce Clark/Policy Advisor
George Barisich/Member (Louisiana Shrimp Harvester and member of the
Louisiana Shrimp Association)
Jeff Mayne/Enforcement Ex-Officio Member/Louisiana Department of Wildlife and
Fisheries Designee

Mr. Abraham addresses that the public can fill out comment cards in the back of the room and each restricted to about 2 minutes. He also stated that personal disclosure statement form needs to be received by May 15th.

Clint Guidry stated that he faxed his personal disclosure form and never received notification that form was received. Mr. Guidry asked entity to confirm that they received his form.

It was stated that the form goes to the Ethic Board. David Lavergne stated that he returned his form by certified mail and received notification that it was received.

Mr. Abraham opened the floor for nominating vice-chairman of task force.

A motion was made by Alan Gibson to nominate Mr. Guidry as vice-chairman. The motion was seconded by Andrew Blanchard. The motion carried unanimously.

Mr. Abraham stated that Acy Cooper and Andrew Blanchard are the alternates filling in for Danny Babin and George Barisich and are the voting members today.

The discussion of the approval of April 21, 2011 minutes occurred. Mr. Guidry stated that there is a problem with some of the wording in the written minutes from last meeting. Mr. Guidry stated that Harry Cheramie was present at last meeting. Mr. Guidry says that motions are important and should come from the recording because that is word for word.

Laura Deslatte-Wooderson replied that the written minutes is for formality, the audio is kept and can be put online. Mr. Abraham stated that not having written minutes could be a legal issue. Wynnette Kees stated that minutes need to be written for approval. Randy Pausina offered to have the MP3 recording transcribed for the task force to approve instead of the written summary.

A motion was made by Clint Guidry to have the MP3 recordings be the official minutes of the task force. The motion was seconded by Acy Cooper. The motion carried unanimously.

Mr. Abraham stated that a written summary would still be beneficial so don't have to review the whole recording.

Mr. Abraham discussed the review of amended bylaws. He stated that section 4 part D 1&2 regarding any alternated can step in for member needs to be replaced with harvester should only appoint harvester and processor only appoint processor. Mr. Abraham stated that section 9A needs to be clarified to say that each member can state they are a member of task force and represent their views but that they don't speak for the chairman. Mr. Abraham stated that 6C in the bylaws has already been changed.

Mr. Cooper wanted to know if he could add to the agenda and if now would be a good time but Mr. Abraham stated that later would be better.

A motion was made by Mr. Cooper to adopt the amended bylaws. The motion was seconded by Andrew Blanchard. The motion carried unanimously.

Mr. Abraham discussed the exemption of 99 mile travel limit. Ms. Kees informed the task force that there is already an exemption for the 99 mile travel limit. She stated that Louisiana Wildlife and Fisheries will renew it every year. Secretary Barham already approved the exemption. Dean Blanchard asked if members are required to use travel. Mr. Abraham stated that it is not a requirement.

Ms. Kees prepared summary of revenue and estimated annual costs regarding shrimp excise tax. She explained that tax is for shrimp taken from state waters or imported shrimp. Mr. Abraham explained that this summary was prepared because at last meeting Danny Babin requested revenue and expenses to see if excise tax is beneficial. If expense is same as revenue then might need to bring to legislation and get rid of the tax.

Mr. Guidry wanted to see the costs and revenue to identify the funding sources. Ms. Kees explained that all money from excise tax goes into the conservation fund and enforcement division uses fund. Andrew Blanchard upset that the whole time he thought the excise tax was going to the Seafood Promotion and Marketing Board. Dean Blanchard asked if shrimp is the only fishery that has excise tax. Ms. Kees explained that oysters and fur also have severance tax. Mr. Guidry recalled that in 2003 and 2004 there was some discussion on raising excise tax and he also it went to promotion. He also suggested putting this issue on the agenda for the next meeting. Ms. Kees added that there used to be a severance tax years ago on shrimp, however she is not familiar as to why it has changed. Mr. Abraham posed the question, what is the process to go about changing this. He suggested discussing with LDWF first to have their support so they are not fighting an uphill battle with legislators.

Mr. Guidry wanted to know if department can or can't make legislation. Mark Schexnayder stated that department can't make legislation but task force can bring decisions to legislation if want to get rid of the excise tax.

Andrew Blanchard wanted to make motion to look into the last 40 years and see if excise tax was always going into the conservation fund. Ms. Kees stated that a new bill was passed in 2002 but even before this time money has always gone into the conservation fund.

Mr. Schexnayder stated that reason for shrimp management opportunities on the agenda is for task force to look into a subcommittee for management changes. Mr. Schexnayder brought up the previous discussion about the license moratorium as a reason for having a subcommittee. Mr. Guidry agreed that task force should leave this idea open for further discussion.

Mr. Abraham made recommendation to see a breakdown of Seafood Promotion and Marketing Board funding sources. Ewell Smith provided an overview of budget with breakdown by fishery. The general fund/ is composed of other categories (miscellaneous fees, gear licenses not entitled to any particular species) shrimp, oysters and blue crab. Five dollars from every license sold goes into the general fund or as Ms. Kees stated better name is Seafood Promotion and Marketing Board. In addition to general fund there are separate funds for each fishery. Mr. Smith explained that general fund is used to market all species of seafood. The income from oysters is 22.7 % (\$165,000) but shrimp is only 13.7% (\$100,000). Dean Blanchard wanted to know why oyster fund is bigger than the shrimp fund. Mr. Smith explained that oyster funds come from annual tag sales.

Mr. Guidry explained that reason for wanting a summary of the Seafood Board's Budget was to identify funding sources and explained that shrimp fund is too low. Mr. Guidry wanted to know if there is left over Gustav and Ike money and if this money could go to the Seafood Board. Mr. Guidry also wanted to know if any of the artificial reef funds can be used for Seafood Board. Mr. Guidry explained that some of the artificial reef funding can only be used for equipment, improvements to the industry, and seafood certification and cannot be used for Seafood Board.

Randy Pausina stated that he will look into the left over money but believes that all of the money is accounted for. He will try to summarize funding for next meeting. He stated that the problem with federal funds is that the funds are usually required to be used a specific way.

Mr. Abraham explained that he wants to understand the Seafood Board's revenue before he can understand the expenditures. He wanted to know how much of shrimp fees goes into the other category in general fund. Mr. Smith explained that it is hard to tell what percent of shrimp goes into other category because commercial license fees cannot determine particular fishery.

Dean Blanchard wants to see shrimp budget 4 times bigger than crab and oysters. He stated that it is embarrassing for shrimp to have such a low budget. He doesn't understand why shrimp have the most landings than any other fishery but have the lowest budget. Mr. Abraham explained that shrimp landings don't contribute to how much money goes into the shrimp fund.

Mr. Guidry stated that it is too late to change funding source for this legislation session and that the task force will have to revisit this issue at next legislation session. Mr. Abraham stated that task force needs to look into ways to increase dollars into the Seafood Board.

Mr. Abraham wanted to know the breakdown by fishery for the Seafood Board's expenses. Mr. Smith said that a lot of the funds are being used for administration and salaries. Mr. Smith stated that some of the expense like trade shows will go to a particular species depending on the time of year.

Dean Blanchard wanted to know what Alaska's Seafood Board's budget was compared to Louisiana. Mr. Smith explained that Alaska is 18 million a year and that Alaska has 20 companies and millions in contracts. Bryon Despaux wanted to know ranking of state budgets. Mr. Smith explained that the order of budget is first Alaska, second Louisiana, and third Florida. Andrew Blanchard stated that Alaska is a way bigger producer than Louisiana so the two states cannot be fairly compared.

Mr. Abraham discussed the Anti-Dumping laws and money should be going to the shrimp industry. Louisiana along with other states needs to become involved with Congress and Senators to enforce change.

Mr. Smith stated that Seafood Board met yesterday to discuss the BP funding. He stated that there was a RFP process and thirty five agencies were narrowed down to ten and the Board only met with three. GCR was the local firm (New Orleans) that was selected to receive the funds. The three top criteria for selecting this firm was accountability/transparency, buy in from chairman and bench market/research. GCR knows where opportunities are around the country. This firm is good with branding and marketing through businesses. Dean Blanchard wanted to know why Seafood Board was subcontracting project out to firm and why we couldn't do this project ourselves. Alan Gibson stated that project is too big for us and firm has a lot of people on staff. Mr. Smith explained that firm is needed because they are good with accountability/transparency.

Mr. Abraham stated that the Subcommittee of the Seafood Promotion and Marketing Board will contain the following members: Danny Babin (Chairman), Dean Blanchard, and Clint Guidry. Mr. Abraham stated that the Subcommittee of the Louisiana Certified Seafood Program will contain the following members: Alan Gibson (Chairman), Lance Nacio, and George Barisich.

A motion to accept subcommittee members was made by Andrew Blanchard. The motion was second by Clint Guidry. The motion carried unanimously.

Mr. Abraham stated that subcommittee members need to figure out meeting times and places. He stated that subcommittee members don't have to meet in person, and they can have their meeting through a conference call. Mr. Guidry wanted to know if subcommittee members bring their recommendations to task force and task force votes together. Mr. Abraham confirmed Mr. Guidry's question.

Mr. Schexnayder stated that it would be a good idea for the steering committee to meet with the Certified Seafood Program Subcommittee.

A motion was made by Acy Cooper to add shrimp prices to the agenda. The motion was second by Dean Blanchard. The motion carried unanimously.

Mr. Cooper stated that shrimp prices are falling and fuel prices are increasing. He stated that it is hard to shrimp under these rough conditions. He wanted to know if the reason for decline in prices is a perception problem from BP or if it is from imports. Mr. Abraham stated that the problem is a perception issue and since the spill it is hard for distributors to return to domestic

shrimp. Mr. Cooper stated that BP needs to make up for the difference. Mr. Abraham stated that the perception is Louisiana seafood is not safe. Mr. Guidry stated that if there is a marketing problem then we need to document it so we can approach legislators for compensation. Mr. Cooper stated that Louisiana has the best shrimp so we shouldn't have low prices.

Mr. Abraham opened the floor for public comment.

Ronnie Anderson stated that we need to fight shrimp prices as an industry even if this means sewing BP. BP is going to defend in court and industry needs to be prepared and everybody on the same page.

Matt O'Brien stated that BP will not compensate him because he has a new business. He stated that he will not be able to buy shrimp this season. Mr. O'Brien stated that people on television are saying that seafood is unsafe. The media makes some fishermen scared of their own shrimp. BP has caused a major economic impact and BP needs to fix the problem. BP needs to focus on stabilizing shrimp prices even if that means they have to buy the shrimp.

Dean Blanchard stated that he has been fighting import shrimp for a long time and fighting to prove Louisiana shrimp have fewer chemicals. He stated that processors finally got on demand and supply for higher shrimp prices. BP is the one responsible for the decline in prices.

James Pearson is a processor that cannot afford to buy shrimp and doesn't understand if processors cannot afford shrimp then why would is shrimp season open. Mr. Abraham explained that there is hope that prices will get better. Processors would go broke if not for shrimpers.

Mr. Guidry informed the public that they need to come up to the microphone so they can be recorded.

Tracy Kuhns agrees with Mr. Guidry and Mr. Cooper about the perception problem. She stated that even though oil is gone, people around the country don't believe that the seafood is safe. She stated that it is going to take a very long time for people to believe seafood is safe. She explained that there is a cost for doing business and everyone wants to make a profit. However, if person damages a business then the person is obligated to fix that business. She stated that there should be good prices at the dock and BP needs to find a way to fix the problem. Florida and Alabama did seafood testing and found that seafood met high safety standards. She explained that maybe we could use this as a marketing strategy.

Mr. Abraham explained that if we say shrimp are safe then BP will not help. The more we say seafood is damaged then no one wants to buy the seafood. He stated that we need to figure out the right marketing strategy.

Joel La France stated that if BP doesn't fix problem then no one will be able to afford to go out on boat. He talked about striking for shrimpers. He stated that all problems started with imported shrimp and need to get with governor to stop imported shrimp. Mr. Abraham stated that people get use to not having domestic shrimp and we need to carefully approach the imported shrimp issue. Mr. La France stated that problem is more people are selling shrimp off the side of the

road and creating too many small businesses. Mr. Abraham asked to see how many people in meeting received money from BP. Some hands were raised.

Mr. Anderson stated that harvesters are always the ones to take a cut in shrimp prices. He addressed Dean Blanchard and stated that processors are stilling receiving same prices. Mr. Anderson thanked the task force for coming together and stated that we should continue to move forward as an industry.

Mr. Abraham stated that he is still trying to figure out why shrimp prices are declining. Mr. Abraham stated that maybe we need to meet with BP.

A motion was made by Mr. Guidry to write a letter to U.S. Congressman and Senators for GCCF to cover losses because of oil spill and forward draft letter to task force for review. The motion was second by Acy Cooper. The motion carried unanimously.

Alan Gibson brought up the Back to Dock Program with the Seafood Board and stated that program had little response. He asked Rene LeBreton to clarify the program. Mr. LeBreton stated that program would reimburse fishermen, dock holders, and processors for loses due to oil spill. BP shot the program down.

Mr. Abraham stated that there will be an email sent to task force regarding the next task force meeting.

Andrew Blanchard stated that he would like to see research on the flooding back in 1974 and 1975. He stated that flooding is going to impact the industry and there may not be an industry in the future. Mr. Schexnayder stated there are reports from 70's, 80's and 90's and are looking into the impacts. There is a PDF report on shrimp. Discussion about impacts caused by flooding will be on the next meeting agenda. Mr. Schexnayder will bring report for next meeting.

A motion to adjourn was made by Clint Guidry. The motion was second by ?. The motion carried unanimously.